



General Assembly

Substitute Bill No. 353

February Session, 2014



**AN ACT CONCERNING THE DEVELOPMENT OF CLASS I
RENEWABLE ENERGY SOURCE PROJECTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-244v of the 2014 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective from passage*):

4 (a) Notwithstanding subsection (a) of section 16-244e, an electric
5 distribution company, or owner or private third-party developer of
6 generation projects that emit no pollutants, may submit a proposal to
7 the Department of Energy and Environmental Protection to build, own
8 or operate one or more generation facilities up to an aggregate of
9 [thirty] one hundred megawatts using Class I renewable energy
10 sources, as defined in section 16-1, from July 1, [2011] 2014, to July 1,
11 [2013] 2016. Each generation facility shall be equal to or greater than
12 one megawatt but not more than [five] twenty megawatts. Each
13 electric distribution company may enter into joint ownership
14 agreements, partnerships or other agreements with [private developers
15 to carry out the provisions of this section] the owners or private third-
16 party developers to procure the power, renewable energy credits and
17 capacity produced by the generation facilities at a bundled price and
18 pursuant to twenty-year contracts. The aggregate ownership for [an]
19 all electric distribution [company] companies approved pursuant to

20 this section on and after the effective date of this section shall not
21 exceed [ten] fifty megawatts. The department shall evaluate such
22 proposals pursuant to sections 16-19 and 16-19e and may approve one
23 or more of such proposals if it finds that the proposal serves the long-
24 term interest of ratepayers by providing air quality benefits, economic
25 development, fuel diversity, energy independence, improved power
26 reliability or increased price stability. Preference shall be given to any
27 proposal where the proposed generation facility will be located on an
28 existing brownfield. The department (1) shall not approve any
29 proposal supported in any form of cross subsidization by entities
30 affiliated with the electric distribution company, and (2) shall give
31 preference to proposals that make efficient use of existing sites and
32 supply infrastructure. No such company may, under any
33 circumstances, recover more than the full costs identified in a proposal,
34 as approved by the department. Nothing in this section shall preclude
35 the resale or other disposition of energy or associated renewable
36 energy credits purchased by the electric distribution company,
37 provided the distribution company shall net the cost of payments
38 made to projects under the long-term contracts against the proceeds of
39 the sale of energy or renewable energy credits and the difference shall
40 be credited or charged to distribution customers through a reconciling
41 component of electric rates as determined by the authority that is
42 nonbypassable when switching electric suppliers.

43 (b) (1) The Department of Energy and Environmental Protection
44 shall conduct two solicitations of owners or private third-party
45 developers for generation projects that emit no pollutants. The first
46 solicitation shall be conducted in 2014 and the second solicitation shall
47 be conducted in 2015, provided such solicitations shall not exceed an
48 aggregate of fifty megawatts.

49 (2) The electric distribution companies may conduct ongoing
50 solicitations for Class I renewable energy source projects for
51 submission to the Department of Energy and Environmental
52 Protection pursuant to the project size limitations described in

53 subsection (a) of this section until all electric distribution companies
54 reach an aggregate limit of fifty megawatts.

55 [(b) The] (c) An electric distribution company shall use the power,
56 capacity and related products produced by [such] a facility constructed
57 pursuant to this section to meet the needs of customers served
58 pursuant to section 16-244c.

59 [(c)] (d) Notwithstanding the provisions of subdivision (1) of
60 subsection (h) of section 16-244c, the amount of renewable energy
61 produced from [such facilities] a facility constructed pursuant to this
62 section shall be applied to reduce the electric distribution company's
63 Class I renewable energy source portfolio standard obligations.

64 [(d)] (e) The department shall evaluate the proposals approved
65 pursuant to this section and report in accordance with the provisions
66 of section 11-4a to the joint standing committee of the General
67 Assembly having cognizance of matters relating to energy whether
68 proposals shall be accepted beyond July 1, [2013] 2016.

69 Sec. 2. (NEW) (*Effective October 1, 2014*) (a) As used in this section:

70 (1) "Shared clean energy facility" means a Class I renewable energy
71 source, as defined in section 16-1 of the general statutes, that (A) is
72 served by an electric distribution company, as defined in section 16-1
73 of the general statutes, (B) is within the same electric distribution
74 company service territory as the individual billing meters for
75 subscriptions, (C) has a nameplate capacity rating of three megawatts
76 or less, and (D) has at least two subscribers;

77 (2) "Individual billing meter" means an individual electric meter or a
78 set of electric meters, when such meters are combined for billing
79 purposes, within the service territory of the subscriber's electric
80 distribution company;

81 (3) "Electric distribution company" has the same meaning as
82 provided in section 16-1 of the general statutes;

83 (4) "Subscriber" means an in-state retail end user of an electric
84 distribution company who (A) has contracted for a subscription, and
85 (B) has identified an individual billing meter to which the subscription
86 shall be attributed;

87 (5) "Subscriber organization" means any for-profit or not-for-profit
88 entity permitted by Connecticut law that (A) owns or operates one or
89 more shared clean energy facilities for the benefit of the subscribers, or
90 (B) contracts with a third-party entity to build, own or operate one or
91 more shared clean energy facilities; and

92 (6) "Subscription" means a beneficial use of a shared clean energy
93 facility, including, but not limited to, a percentage interest in the total
94 amount of electricity produced by such a facility or a set amount of
95 electricity produced by such a facility.

96 (b) The Department of Energy and Environmental Protection, in
97 consultation with the electric distribution companies, shall establish a
98 three-year pilot program to support the development of shared clean
99 energy facilities. On or before January 1, 2015, the department shall
100 develop and issue a request for proposals from subscriber
101 organizations seeking to develop a shared clean energy facility.

102 (c) The department shall select, pursuant to the request for
103 proposals process, two recipients for the shared clean energy facility
104 pilot program. To the extent possible, one recipient shall construct a
105 shared clean energy facility in a municipality with a population of one
106 hundred thousand or more and the other recipient shall construct a
107 shared clean energy facility in a municipality with a population of less
108 than one hundred thousand. The department shall establish (1) a
109 billing credit for any subscriber of a shared clean energy facility, and
110 (2) consumer protections for subscribers and potential subscribers of
111 such a facility, including, but not limited to, disclosures to be made
112 when selling or reselling a subscription.

113 (d) Not later than one year after being selected for an award under

114 the shared clean energy facility pilot program and annually for two
 115 years thereafter, each recipient shall submit a report, in accordance
 116 with section 11-4a of the general statutes, to the joint standing
 117 committee of the General Assembly having cognizance of matters
 118 relating to energy and to the Department of Energy and
 119 Environmental Protection. Such report shall include, but not be limited
 120 to, information concerning the status of the shared clean energy
 121 facility.

122 (e) On or before January 1, 2018, the department shall file a report,
 123 in accordance with the provisions of section 11-4a of the general
 124 statutes, with the joint standing committee of the General Assembly
 125 having cognizance of matters relating to energy, (1) analyzing the
 126 success of the shared clean energy pilot program, (2) identifying and
 127 analyzing the success of programs in other states that allow facilities
 128 similar to a shared clean energy facility, and (3) recommending
 129 whether a permanent program should be established in this state and,
 130 if so, any necessary legislation.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	16-244v
Sec. 2	<i>October 1, 2014</i>	New section

Statement of Legislative Commissioners:

In section 1(a), "pursuant to this section" was changed to "approved pursuant to this section on and after the effective date of this section" for clarity.

ET *Joint Favorable Subst.*